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VIA HAND DELIVERY

September 5, 2000

Ms. Blanca S. Bayó, Director
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: Sprint's FCC Compliance Proposal; Docket No. 991222-TP.

CONFIDENTIAL DOCUMENTS ATTACHED

Dear Ms. Bayó:

Enclosed with this letter are the original and ^{Five} ~~five~~ (5) copies of the unredacted documents referred to in Sprint Communications Company Limited Partnership's (Sprint) Request for Confidential Classification Pursuant to Section 364.183(1), Florida Statutes, which was filed on this date with the Division of Records and Reporting. The entire document is considered confidential. A listing of the document(s), or excerpts therefrom, follows:

1. Sprint's August 31, 2000 FCC Compliance interim proposal in its entirety. (~~Six~~ ^{FIVE} copies).

The attached documents were inadvertently filed with the Division of Communications due to a clerical error. The Division was aware that Sprint intended to file the proposal under a claim of confidentiality and has preserved the confidentiality of the information with the understanding that Sprint would stamp it "confidential" and file it subject to the Request for Confidentiality.

Please keep the document(s) confidential pending receipt and action on the Company's Request for Confidential Classification relating to these documents.

Sincerely,

Charles J. Rehwinkel

Enclosure

This confidentiality request was filed by or for a "telco" for DN 10946-00. No ruling is required unless the material is subject to a request per 119.07, FS, or is admitted in the record per Rule 25-22.006(8)(b), FAC.

DECLASSIFIED
10.27.00

DOCUMENT NUMBER-DATE
10946 SEP-58
FPSC-RECORDS/REPORTING



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August 31, 2000

State of Florida
Public Service Commission
2450 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Attn: Ms. Beth Salak,
Assistant Director, Division of Competitive Services

Subject: Modification to Florida Relay Service Contract

- Reference:
1. FCC Rules and Orders Published on June 21, 2000
[CC Docket No. 98-67; FCC 00-56]
 2. Contract to Provide Telecommunications Relay Service to Florida

Dear Ms. Salak:

The Federal Communications Commission (FCC) published final rules concerning Telecommunication Relay Service (TRS) in the Federal Register (47 CFR Part 64) on June 21, 2000. These new rules are intended to improve the quality of relay services and make the services as close to functionally equivalent with that which is now being experienced by persons without disabilities.

The current referenced contract between the Florida Public Service Commission (FPSC) and Sprint states that "Any new Relay service requirements mandated by the FCC will be grounds for both parties to enter into negotiations concerning changes in the cost of providing Relay service as impacted by the new requirements."¹ Upon the effective date for implementation of the newly mandated TRS rules (December 18, 2000 for most of them) the current level of service will no longer qualify Florida's TRS for FCC Certification. It is, therefore, necessary to modify our existing Contract. Sprint offers this proposal for enhancements to the State's TRS so that it meets or exceeds all operational, technical and functional minimum standards contained in FCC 47 CFR, Section 64.604 and therefore, maintains its FCC State Certification.

For your review and convenience, Sprint has compiled the attached table of information (Attachment A). This table provides first, a listing of all the FCC requirements per the referenced Rules and Orders. In the next column, these requirements are compared to the requirements as stated or provided in the current Contract. The last column provides the implementation date required by the FCC or, if the current Contract already meets the requirement, it is so stated.

¹ Section B.42.f, FCC Mandates, of the RFP, Pg. 79 of Sprint's proposal

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Some of the new TRS standards will require upgrades to Florida's and Sprint's current platform. Some of these upgrades will result in an increase in the cost of service. The new standards that affect Sprint's cost of providing TRS are provided below.

- Speech-to-Speech Relay Service
- 60 WPM Text Transmission
- In-Call Replacement of CAs
- Speed of Answer
- Handling of Emergency Calls
- Pay-Per-Call Services

More detailed information on the above requirements and the factors that impact Sprint's costs are provided in Attachment B.

In confirmation of the proposal verbally presented to you by Andrew Brenneman, Sprint proposes, in continuing to provide relay service for the State of Florida, to (1) Upgrade that service to be compliant with the new Rules and Orders mandated by the FCC; and, (2) Assist the State in applying for, and receiving, state-wide certification of FPSC's program for providing TRS in Florida. The following pricing options are provided for your consideration.

1. If the State chooses to spread the costs of the FCC upgrades over the base period of the contract (May 31, 2003):

Option I - \$0.79/session minute

2. If the State chooses to pay for the FCC upgrades in a lump sum*:

Option II - \$0.72/session minute plus a one-time charge of \$1,827,000 for a contract continuing through the base period (May 31, 2003)

3. If the State chooses the additional features** of true Caller ID and/or Turbo Code™, the following rates would be additive to whatever option above is selected:

Option III – Option I or II + \$0.025/session minute with true Caller ID

Option IV – Option I or II + \$0.01/session minute with Turbo Code™

* If the FPUC selects one of the lump sum payment options and subsequently lawfully terminates the contract prior to the end of the contract base period, Sprint will prorate the charges over the period for which they were in effect and refund the unused portion of those monies.

**Additional information describing the features of Caller ID and Turbo Code™ are provided in Attachment D.

While every attempt has been made to keep the price increases for compliance with the new FCC Rules and Orders to a minimum, Sprint believes that the proposed increases are in line with the rest of the industry. We support this based on information obtained from the industry's filing with the National Exchange Carriers Association (NECA). This information is provided for your review and consideration in Attachment C.

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In order for Sprint to make the required changes in time to meet the FCC's implementation date(s), a signed contract modification or at least, an executed Memorandum of Understanding, must be in place no later than November 5, 2000. Sprint has no authority to make the required changes to the State's current TRS program without such a binding contract in place.

If you have any questions concerning this proposal or require further information, please call Andrew Brenneman, Senior National Account Manager, at (703) 904-2382. Should you have questions of a strictly contractual nature, please call Don Rawlings, Senior Contracts Administrator, at (703) 904-2492.

Sprint appreciates your immediate attention to this proposal and looks forward to a continued partnership with the State of Florida in providing quality relay services to its consumers.

Sincerely,



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FCC RULES AND ORDERS	CURRENT CONTRACT	IMPLEMENTATION DATE
§ 64.603 Provision of Services		
Speech to Speech relay service (STS)	Not Included	March 1, 2001 Included in this proposal
Interstate Spanish language relay service	Sprint offers Spanish Services, which provide Spanish-to-Spanish, English-to-Spanish, and Spanish-to-English translation	In place
Video Relay Services (VRS)	Not Included	Service available Upon request
§ 64.604 Mandatory Minimum Standards		
(a) OPERATIONAL STANDARDS		
<i>(1) Communications Assistant -</i> 60- WPM Text Transmission	"A minimum typing speed of 55 correct words per minute"	December 18, 2000 Included in this proposal
<i>(2) Confidentiality and conversation content -</i> CAs are prohibited from disclosing the content of any relayed conversation regardless of content, and with limited exception for STS CAs.	"As required by s.427.704(1)(c), F.S., all calls shall be totally confidential"	TRS: In place. STS: March 1, 2001
<i>(3) Types of Calls -</i> CAs are prohibited from refusing sequential calls or limiting the length of calls utilizing relay services.	"The FRS user has full control of the relay call. There is no limit to the number of calls a user may request the CA to process."	In place
<i>(4) Handling of Emergency Calls -</i> At a minimum, the system must automatically and immediately transfer the caller to the nearest Public Safety Answering Point (PSAP)	Current standard call procedure is: 1. Determine area code of originating number; 2. Dial directory assistance; 3. Dial emergency number provided.	December 18, 2000 Included in this proposal

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FCC RULES AND ORDERS	CURRENT CONTRACT	IMPLEMENTATION DATE
<p>(5) <i>In-Call Replacement of CAs</i> –</p> <ul style="list-style-type: none"> ● Requires CA to stay with the call for a minimum of <u>10 minutes</u>. ● Requires STS CA to stay with the call for a minimum of <u>15 minutes</u>. 	<p>“If a FRS user requests that the same CA be used to process the entire conversation, Sprint Relay will, whenever possible, comply.”</p>	<p>December 18, 2000 Included in this proposal</p>
<p>(6) <i>CA Gender Preferences</i> – Requires that TRS providers make every effort to accommodate requests for a specific CA gender at the beginning of a call or during a CA transfer.</p>	<p>If a request is made for another gender CA, every attempt is made to honor the request.</p>	<p>In place</p>
<p>(7) <i>STS Called Numbers</i> – Requires Frequent Dialed Number feature be made available to STS users.</p>	<p>Not Included</p>	<p>March 1, 2001 Included in this proposal</p>
(b) TECHNICAL STANDARDS		
<p>(1) <i>ASCII and Baudot</i> – TRS shall be capable of communicating with ASCII and Baudot, at any speed generally in use.</p>	<p>Included in Sprint’s standard TRS Platform</p>	<p>In place</p>
<p>(2) <i>Speed of Answer</i> – Requires 85% of all calls be answered in 10 seconds by a CA prepared to handle the call at the time to accommodate automated call handling. Calls are not to be put in a queue or on hold. Calls shall be measured on a daily basis.</p>	<p>“Provider is responsible for answering 90% of all calls per month within 10 seconds “</p>	<p>December 18, 2000 Included in this proposal</p>
<p>(3) <i>Equal Access to interexchange carriers</i> – TRS users shall have access to their chosen interexchange carrier through TRS, and to all other operator services.</p>	<p>“FRS callers will have their interstate calls carried by any interexchange carrier who has agreed to participated in the COC program”</p>	<p>In place</p>
<p>(4) <i>TRS facilities</i> – TRS shall operate every day, 24 hours a day.</p>	<p>Included in Sprint’s standard TRS Platform</p>	<p>In place</p>

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FCC RULES AND ORDERS	CURRENT CONTRACT	IMPLEMENTATION DATE
(5) <i>Technology</i> – Development of improved technology that fosters the availability of telecommunications to persons with disabilities. VCO and HCO technology are required.	Included in Sprint's standard TRS Platform	In place
<i>Voice Mail and Interactive Menus</i> – CAs must alert TRS user to the presence of a recorded message and interactive menu through a hot key. Recorded messages shall be electronically captured, recorded, and retained for the length of the call. No charges are allowed for additional calls which must be made by the relay user in order to complete these types of calls.	Included in Sprint's standard TRS platform (Machine Recording Capability).	In place
<i>Pay-Per-Call services.</i>	"Provider will not be required to provide access to 900 service unless required by the FCC"	December 18, 2000 Included in this proposal
(c) FUNCTIONAL STANDARDS		
(1) <i>Consumer Complaint Logs</i> – A log of consumer complaints must be retained and submitted to FCC by July 1 of each calendar year.	Not Included	June 1, 2001 (Report period from June 1, 2000 to May 31, 2001). Included in this proposal
(2) <i>Contact persons</i> – Providers of relay having state TRS contracts must submit to the Commission the name and number for a person to contact about the provider's service.	Not Included	Completed on June 30, 2000 (www.fcc.gov/cib/dro/trs.html)
(3) <i>Public Access to Information</i> – Efforts must be made to assure that callers are aware of the availability and use of all forms of TRS.	Outreach is not included in the contract	December 18, 2000 Not included in this proposal. Provided outside of this contract.
(4) <i>Rates</i> – Rates for TRS calls shall be no greater than rates paid for functionally equivalent voice communications services.	Interstate and International calls are not billed to the end user at a rate higher than the rate for a non-relay call.	In place
(5) <i>Jurisdictional separation of costs</i>	Refer to FCC 00-200 document.	In place

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FCC RULES AND ORDERS	CURRENT CONTRACT	IMPLEMENTATION DATE
(6) <i>Consumer Complaint Logs</i> – A log of consumer complaints must be retained	Sprint reports complaints received to FL PSC in the monthly invoices.	In place
(7) <i>Treatment of TRS customer Information</i> – Provision of TRS customer profile data to the incoming TRS vendor at least 60 days prior to outgoing TRS vendor's last day of service.	Not Included	Sprint will comply at the end of contract term. Included in this proposal

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SPRINT PROPRIETARY DATA**FCC REQUIREMENTS AND THEIR IMPACT ON RELAY PROVIDER COSTS**

Before discussing the individual FCC requirements, it should be noted that increased labor costs in the forms of additional hirings, overtime, and lost work time make up fully 90% of the projected increase in Sprint's cost of providing TRS. The various FCC requirements contribute to the necessity for increased labor costs as noted below.

Speech-to-Speech

This feature enables a speech-disabled person to use his/her own voice or voice synthesizer, rather than using a TTY. Specially trained Communication Assistants (CAs) function as human translators for relay users with speech disabilities who have trouble being understood on the telephone. The CA repeats the words of the speech-disabled caller to whomever the person with the speech disability is talking. In addition to making this feature mandatory, the FCC also requires that relay providers make best efforts to maintain at the relay center a list of names and telephone numbers the STS user calls.

Additional costs are associated with providing this feature due to the additional and specialized training that must be provided to the CAs. There are costs associated with establishing the separate 800 number provided with the feature and there are costs for maintaining the database of called numbers. Sprint included Speech-to-Speech as an optional feature in our proposal for Florida Relay but this was not incorporated into the final contract.

60 WPM Text Transmission

The FCC has increased the minimum typing speed requirement for CAs from 45 words per minute (WPM) to 60. It has also included a requirement for oral-to-type tests of CA typing speed.

There are several factors associated with this requirement that result in increased costs for providing relay service. Even though Florida Relay's contract requirement of 55 WPM typing speed exceeds the existing FCC requirement, it is short of the new requirement. Also, 20% of Florida Relay traffic may be processed out-of-state. While Sprint's networked call centers meet the Florida and new FCC typing speed requirement on average, the new requirement is per individual CA and there are many existing CAs that will require retraining.

Retraining and retesting the existing CA workforce to ensure that they all meet the new typing speed requirement on a consistent basis is a major cost factor. There is the loss of productive work time due to extended training periods during which CAs must be pulled off-line. There will be personnel reassignments and terminations for CAs that are unable to be successfully be retrained. New testing methodologies must be developed in order to properly and accurately measure performance under near-virtual relay simulations that parallel live relay. The new testing methodologies result in additional costs not only for the test development but also for test verification and validation, test deployment, and test training for relay center location managers and supervisors.

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Recruiting of CAs is another major and significant contributing factor to the increased cost of doing business. As job skills increase, a person's value in the marketplace also increases. Employment candidates capable of meeting the new typing speed requirement can demand higher compensation than those capable of typing at 45 WPM. New recruiting strategies must be developed and employed in order to successfully locate and win new recruits. The fact that many relay centers are located in areas of low to very low levels of unemployment further contributes to the competition for qualified CAs and the upward pressure on CA compensation.

In-Call Replacement of CAs

CAs answering and placing a TTY-based TRS or VRS call must stay with the call for a minimum of ten minutes.

This requirement makes the largest impact on increased cost for providing relay service. This is due to a loss of productive work time and the necessary increase in manpower to compensate for that loss. Due to labor agreements, scheduling requirements and taking into account the higher required minimum typing speed, CAs are given a break and allowed to go off-line once every two hours. Breaks must be taken when scheduled for purposes of maintaining an adequate workforce to meet ASA requirements. Whereas before an agent could accept a call up to within 2.5 minutes of their scheduled break, under the new requirement if an agent is not currently on a call, they will have to unplug up to ten minutes prior to their scheduled break. Again, due to the very tight scheduling of the CAs to both meet the service requirements and also to keep costs as low as possible, a CAs break time is not flexible. A CA going off-line ten minutes early will not result in them going back on-line 10 minutes earlier.

Accordingly, this requirement has the effect of reducing the productivity per CA by as much as 40 minutes in an eight-hour shift. Sprint estimates that it will have to increase the number of CA positions by as much as 108 persons in order to meet this new requirement and to continue to meet the ASA requirement.

Sprint anticipates that another significant cost factor associated with the 60 WPM and In-Call Replacement rules will be costs associated with repetitive motion injury (RMI). RMI is already a cost factor in providing relay service accounting for 90% of all of the workman's compensation claims filed within the Sprint TRS Division. Work studies have shown that typing at higher speeds for longer periods of time, especially for persons who do not have good typing skills/habits, results in increased work absence due to aches and pains associated with RMI. While there is likely to be some increase in insurance premiums due to a higher number of RMI related claims, the major cost factor associated with RMI is the loss of productive work time from the available workforce. This also contributes to the need to hire additional staff.

Speed of Answer

TRS shall include adequate staffing to provide callers with efficient access under projected calling volumes so that 85% of all calls will be answered within 10 seconds on a daily basis.

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This new rule impacts the staffing levels at the relay centers. The old requirement allowed for ASA to be measured on a monthly , which allowed for more flexibility in staffing. The new daily requirement requires higher levels of staffing so that answer times at peak periods are met each and every day. Sprint performs rigorous scheduling analyses to achieve a balance between having enough staff on-line to meet the service level requirements, but not having excess staff assigned so as to keep costs to a minimum. This new 85/10 daily rule has a major impact on these operation strategies in that it drastically narrows the range of alternative staffing levels, i.e. a missed service level that occurs on one day cannot be compensated for by even better service levels achieved on another day. Hence, this new rule contributes to an increased cost of doing business because higher staffing levels will now be required on a more consistent basis. This will increase costs by requiring additional staff and by necessitating increased overtime hours and pay.

Handling of Emergency Calls

Providers must use a system for incoming emergency calls that, at a minimum, automatically and immediately transfers the caller to the nearest Public Safety Answering Point (PSAP).

Sprint is still searching for a solution to this requirement. We are investigating the possibility of a nation-wide database that the relay service could link with to provide the PSAP for a caller's area. But it is not known at this point whether such a nation-wide database exists or not and if so, at what cost it can be made available and if it will be compatible with Sprint's TRS platform. It is known that there will be costs associated with compliance with this requirement.

Pay Per Call Services

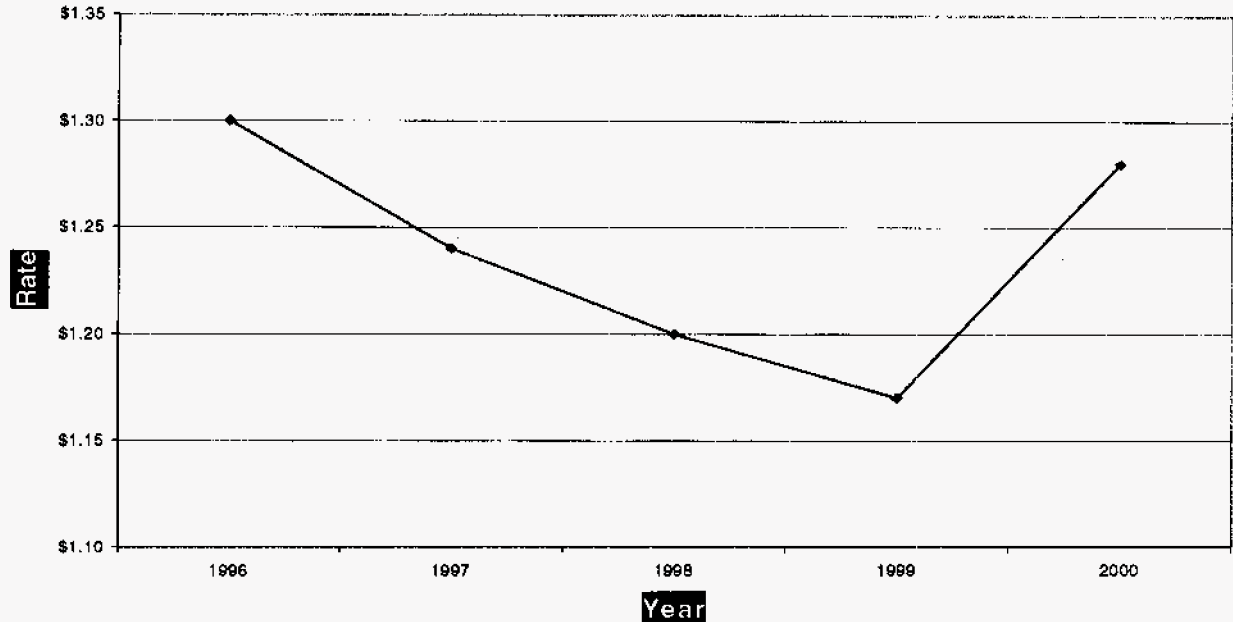
Sprint incurs an access charge from the various LECs and CLECs for each minute of use for 900 toll calls

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NATIONAL EXCHANGE CARRIERS ASSOCIATION (NECA) RATE IMPACT
BY THE NEW FCC MANDATES

Interstate TRS NECA



1996 - \$1.30
 1997 - \$1.24
 1998 - \$1.20
 1999 - \$1.17
 2000 - \$1.27

The illustration above shows the trend of the NECA rate since 1996 and how the new FCC mandates have affected the NECA rate in 2000.

- Sprint represents 60% of the TRS industry. (60% of the NECA pool).
- Sprint did not include FCC costs in the recent cost filing due to the fact that the FCC Rules and Orders was not finalized at that time.
- 2000 NECA Rate - With 40% of the TRS market represented, the rate increased \$0.11/conversation minute. All providers, except Sprint, are included in the 2000 filing and it is assumed that the FCC Rules and Orders were taken into account due to the significant price increase.
- An \$0.11 increase for 40% of the market represents an industry-wide increase of well over \$0.20/conversation Minute or \$0.152/session Minute.

FCC Impact on NECA - \$0.152 increase/PPM

FCC Impact on Florida - \$0.07 increase/PPM

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DESCRIPTIONS OF PROPOSED TRS FEATURES

Caller ID – Provides the ability to map the inbound calling number to the outbound call and transmit that information with the outbound call for display on the terminating line caller identification unit. This will provide Caller ID information that can be displayed on a Caller ID device for all calls made through Sprint TRS that originate on a LEC network that supports Caller ID, are carried over the Sprint telecommunications network, and terminated on a LEC network that supports Caller ID.

Caller ID will be available for implementation in Florida in the 1st Quarter of 2001.

Turbo Code™ – Allows for enhanced baudot transmission of speeds up to 110 words per minute and enables TTY callers the capability to interrupt during the transmission. Since use of Turbo Code speeds up the relay conversations, conversations are processed quicker, saving states money in call minutes.

Turbo Code will be available for implementation in Florida in the 1st Quarter of 2001.